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## OUACHITA ECONOMIC DEVELOPMENT CORPORATION

**Financial Statements**  
**Year Ended December 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 7 5 2000

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**

**DECEMBER 31, 1999**

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John L. Luffey, MBA, CPA  
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L. Fred Monroe, CPA  
Esther Atteberry, CPA  
Carolyn A. Clarke, CPA

## **INDEPENDENT AUDITORS' REPORT**

### **Board of Directors Ouachita Economic Development Corporation Monroe, Louisiana**

We have audited the accompanying statements of financial position of **Ouachita Economic Development Corporation** (the Corporation) as of December 31, 1999 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Government Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation at December 31, 1999 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2000 on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

**Ouachita Economic Development Corporation  
Monroe, Louisiana**

Our audit was made for the purpose of forming an opinion on the financial statements referred to above taken as a whole. The accompanying financial information listed as Supplementary Information Schedules in the Index is presented for purposes of additional analysis and is not a required part of the financial statements of the Corporation. This information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financials statements taken as a whole.



**(A Professional Accounting Corporation)**

**February 9, 2000**

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 1999**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 38,896
Investments	251,211
Unconditional Promises to Give - Unrestricted	82,552
Prepaid Expenses	1,028
Total Current Assets	373,687

**Temporarily Restricted Assets**

Funding for Next Fiscal Year:	
Cash and Cash Equivalents	3,500
Unconditional Promise to Give	150,000
Total Temporarily Restricted Assets	153,500

**Furniture and Equipment**

Furniture and Equipment	61,515
Less: Accumulated Depreciation	(17,774)
Net Furniture and Equipment	43,741

**Other Assets**

Security Deposit	475
	475

<b>TOTAL ASSETS</b>	<b>\$ 571,403</b>
	571,403

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 708
Payroll Taxes Payable	7,471
Total Current Liabilities	8,179

**Net Assets**

Unrestricted	409,724
Temporarily Restricted	153,500
Total Net Assets	563,224

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 571,403</b>
	571,403

The accompanying notes are an integral part of this statement.

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

**Unrestricted Net Assets**

**Support**

City of Monroe	\$ 154,000
City of West Monroe	50,000
Ouachita Parish Police Jury	52,000
Business Sector	82,730
Rivertown	21,897
Other Income	280
Interest Income	8,102
<b>Total Unrestricted Support</b>	<u>369,009</u>

**Net Assets Released From Restrictions**

Ouachita Parish Police Jury Funding	98,000
Business Sector Funding	8,000
<b>Total Reclassifications</b>	<u>106,000</u>

**Total Unrestricted Support and Reclassifications** 475,009

**Expenses**

Personnel Costs	227,670
Marketing and Communication	37,248
Research	13,227
Administrative Expenses	70,052
Professional Development	12,620
Other Expenses	5,730
<b>Total Expenses</b>	<u>366,547</u>

**Increase in Unrestricted Net Assets** 108,462

**Temporarily Restricted Net Assets**

Business Sector Funding for 2000	3,500
Ouachita Parish Police Jury Funding for 2000	150,000
Net Assets Released From Time Restrictions	<u>(106,000)</u>

**Increase in Temporarily Restricted Net Assets** 47,500

**Increase in Net Assets** 155,962

**Net Assets at Beginning of Year** 407,262

**NET ASSETS AT END OF YEAR** \$ 563,224

The accompanying notes are an integral part of this statement.



**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**Cash Flows From Operating Activities**

Increase in Net Assets	\$ 155,962
Adjustments to Reconcile Increase in Net Assets	
To Net Cash Provided by Operating Activities	
Depreciation	8,433
Loss on Disposal of Fixed Assets	5,728
Changes in assets and liabilities:	
Unconditional Promises to Give	(53,553)
Prepays and Other	94
Agency Transactions-Grants Received for Others	6,037
Agency Transactions-Grants Disbursed to Others	(6,037)
Accounts Payable	(1,287)
Payroll Taxes Payable	1,535
Accrued Expenses	(30,200)
Total Adjustments	<u>(69,250)</u>
Net Cash Provided by Operating Activities	<u>86,712</u>

**Cash Flows From Investing Activities**

Purchase of Certificate of Deposit	(101,211)
Purchase of Furniture and Equipment	<u>(37,563)</u>
Net Cash Used by Investing Activities	<u>(138,774)</u>

**Net (Decrease) in Cash** (52,062)

**Cash and Cash Equivalents, Beginning of Year** 94,458

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 42,396

Presented on the Statement of Financial Position as:

Current Assets:	
Cash and Cash Equivalents	\$ 38,896
Temporarily Restricted Assets:	
Cash and Cash Equivalents	<u>3,500</u>
Total	<u><u>\$ 42,396</u></u>

The accompanying notes are an integral part of this statement.

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

**Note 1 - Summary of Significant Accounting Policies**

***Organization***

The Ouachita Economic Development Corporation (the Corporation) is a non-profit organization which was incorporated on April 26, 1989, as the Ouachita Enterprise Corporation, for the purpose of "promoting the Parish of Ouachita and further to promote and develop economic development in the Parish of Ouachita."

On June 18, 1997, the name of the Corporation was changed to Ouachita Economic Development Corporation to more accurately reflect the purpose of the non-profit organization.

***Basis of Accounting***

The financial statements of the Corporation are presented on the accrual basis of accounting. The significant accounting policies followed by the Corporation are described below to enhance the usefulness of the financial statements to the reader.

***Revenue Recognition***

Support from local governmental entities is paid throughout each entity's fiscal year. It is the Corporation's policy to recognize this support in the period declared. Support from local businesses is recognized in the period received.

***Furniture and Equipment***

Furniture and equipment are stated at cost if purchased or estimated fair market value if donated. Expenditures for maintenance and repairs are charged to expense. Renewals and betterments that materially extend the life of the assets are capitalized. Depreciation is computed for financial statement purposes on the straight-line basis over the estimated useful lives of the related assets which generally are either eight years for furniture and fixtures or five years for office equipment.

***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Income Taxes***

The Corporation is a non-profit corporation exempt from federal income taxes under



**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

Section 501(c)(3) of the Internal Revenue Code.

***Accounting Pronouncements***

The Corporation adopted Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations* effective January 1, 1996. In accordance with SFAS 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature and/or existence of any donor-imposed restrictions. SFAS 116 requires that such contributions be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restriction. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

***Statements of Cash Flows***

For purposes of the Statements of Cash Flows, the Corporation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Agency transactions for flow-thru grants are included in the Statements of Cash Flows.

**Note 2 - Cash and Investments**

The Corporation's cash and investments consist of funds on deposit with area financial institutions. The \$251,211 investment amount represents certificates of deposit with interest rates of 5.0 to 6.0%. The carrying values of the investments approximate their market value.

**Note 3 - Unconditional Promises to Give**

Unconditional promises to give consist of the following at December 31, 1999:

	Current	Subsequent
City of Monroe	\$ 51,337	\$ -
City of West Monroe	25,000	-
Ouachita Parish Police Jury	-	150,000
Others	6,215	-
	\$ 82,552	\$ 150,000

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

**Note 4 - Operating Leases**

The Corporation has a three year operating lease with an effective date of February 1, 1997 for its office space. The monthly payment is \$850. Future minimum lease payments under this lease are \$850 in 2000. The Corporation has negotiated a new lease for its office space at \$1,000 per month which will commence February 1, 2000.

The Corporation also has a three year operating lease for an automobile. The lease began in June of 1997 and will end in May of 2000. The monthly payment is \$457. Future minimum lease payments under this lease are \$2,285 in 2000.

**Note 5 - Concentrations of Credit Risk**

As of December 31, 1999, the Corporation had funds on deposit with a single financial institution that exceeded the amount covered through the FDIC by \$899.

Approximately 75% of the revenues recognized in 1999 were from the three local governments, being the City of Monroe, the City of West Monroe and the Ouachita Parish Police Jury and 97% of the unconditional promises to give at December 31, 1999 were from the same three funding sources. Failure of these agencies to perform could impact the Corporation's ability to collect \$232,552. The Corporation does not require any collateral in support of promises to give.

**Note 6 - Agency Transactions**

During 1999 the Corporation received a workforce development grant of \$6,037 on behalf of a business entity in the community. This grant is to be used only by the particular business as stipulated in the grant. Since the Corporation did not have any discretion over the use of the grants received, these transactions were recorded as agency transactions and are not reflected in the statement of activities.

**SUPPLEMENTARY INFORMATION SCHEDULES**

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**SCHEDULE OF OPERATING EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

<b>Personnel Costs</b>	
Wages and Salaries	\$ 190,913
Payroll Taxes	13,890
Retirement	3,560
Insurance	19,307
Total Personnel Costs	<u>227,670</u>
 <b>Marketing and Communication</b>	
Materials	1,157
Entertainment	196
Rivertown	21,390
Advertising	3,789
Travel and Lodging	6,519
Allied Operations	3,055
Miscellaneous	1,142
Total Marketing and Communication	<u>37,248</u>
 <b>Research</b>	
Travel	422
Ongoing Research	6,047
Publications	769
On-Line Charges	4,980
Special Purpose	1,009
Total Research	<u>13,227</u>
 <b>Professional Development</b>	
Travel and Lodging	7,270
Tuition and Fees	5,350
Total Professional Development	<u>12,620</u>
 <b>TOTAL OPERATING EXPENSES</b>	 <u><u>\$ 290,765</u></u>

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
SCHEDULE OF ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

**Office Expenses**

Rent	\$ 10,200
Telephone	9,629
Postage	3,453
Supplies	11,568
Dues and Subscriptions	2,663
Insurance - Office	1,927
Legal and Professional Fees	8,578
Total Office Expenses	<u>48,018</u>

**Auto Lease** 5,473

**Equipment Maintenance and Rental** 153

**Travel and Meetings**

Travel	2,838
Insurance - Auto	2,348
Meetings	2,188
Total Travel and Meetings	<u>7,374</u>

**Other Expenses**

Depreciation	8,433
Miscellaneous	534
Taxes and Licenses	67
Total Other Expenses	<u>9,034</u>

**TOTAL ADMINISTRATIVE EXPENSES** \$ 70,052





Luffey  
Huffman  
& Monroe

(A Professional Accounting Corporation)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA  
Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**Ouachita Economic Development Corporation  
Monroe, Louisiana**

We have audited the financial statements of **Ouachita Economic Development Corporation** (the Corporation), a nonprofit organization, as of and for the year ended December 31, 1999 and have issued our report thereon dated February 9, 2000. We conducted our audit in accordance with generally accepted auditing standards, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor

***Compliance***

As part of obtaining reasonable assurance about whether Ouachita Economic Development Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered Ouachita Economic Development Corporation's Internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their



**Ouachita Economic Development Corporation  
Monroe, Louisiana**

assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the management of the Corporation, other agencies granting funds to the Corporation and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



(A Professional Accounting Corporation)

February 9, 2000